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# Farm Broadcasters Letter



Letter No. 2175

August 9, 1984

## SOVIET PURCHASES

Since late June, the Soviet Union has purchased over 8 million tons of U.S. wheat and corn for delivery in the July-June 1984/85 marketing year, marking one of the most active buying periods on record, according to the U.S. Department of Agriculture. Corn has accounted for around 70 pct. of the total purchases with the shipments primarily scheduled for after Oct. 1, 1984. Prospects for another reduced grain crop, low stock levels and strong demand for grain for feed in the Soviet livestock industry along with some weakening in world grain prices likely contributed to this flurry of buying activity.

## DROUGHT IN CANADA

A severe drought in Canada's barley producing areas of Saskatchewan and Alberta has all but eliminated chances for a repeat of last year's 11 million ton harvest. Domestic prices in these areas are currently higher than posted prices, slowing procurements by the Canadian Wheat Board. Unless procurements improve, the Board may have difficulty meeting export commitments. Two-thirds of Canada's barley exports go to the USSR, East Germany, Japan and the EC. The U.S. is in an excellent position to supply barley if the Canadian Wheat Board decides imports are necessary.

## NEW USES FOR FARM PRODUCTS

The list of products from America's agriculture is growing. Products unheard of a decade ago are now commonplace. Sec'y of Agriculture John R. Block said, "I've given my subordinates at USDA orders to get the public and private sectors together to encourage and promote development of new products, new product uses and new markets." To launch this effort, Block announced a forum to be held at the USDA in mid-Oct. involving federal, state, university and private sector representatives.

## AG OUTLOOK

Higher livestock prices and larger crops should mean higher net farm income for 1984, while net cash income may be down because of increased production expenses, according to the U.S. Department of Agriculture. The first estimate of last year's net cash income totaled a nominal record high \$40.1 billion, up 9 pct. from the \$36.8 billion of 1982. While net cash income rose, net farm income fell from 1982's \$22.3 billion (revised) to \$16.1 billion. The decline reflects last year's large drawdown of crop inventories due to drought and acreage-reduction programs.

1984/85 WHEAT  
FORECASTS

The forecast for June-May 1984/85 wheat exports, excluding 2 million tons of flour and products, has been raised by the U.S. Department of Agriculture by 1.4 million tons to just over 36 million tons, as early season import demand remains strong. Shipments of U.S. wheat for the 4-week period ending July 19 were down 10 pct. from the previous period, but remained even with last year's rate. Sales, however, jumped by 30 pct. over the previous 4-week period, and were more than double the rate of the comparable period for last year, as the Soviets and Chinese bought heavily in recent weeks. Cumulative sales in 1984/85 are now more than 40 pct. ahead of last year's pace.

LOAN RATE -  
12-1/8 PCT

Commodity loans disbursed in Aug. by the U.S. Department of Agriculture will carry a 12-1/8 pct. interest rate. The new rate is up from 12 pct.

BUTTERING  
EUROPE

In the European Community, intervention stocks of butter and non-fat dry milk continue to build, according to the U.S. Department of Agriculture. Butter stocks as of July 12 were over 1 million tons, nearly twice the level of a year ago. Stocks of non-fat dry milk, had reached nearly 1 million tons as of July 12. The EC is exploring ways to dispose of its mountainous stocks. It's primary option appears to be to increase its subsidized exports. But the world dairy market is already saturated and prices are depressed.

BRITISH  
CHICKENS

In the United Kingdom, the British Minister of Agriculture announced that the current slaughter policy against Newcastle Disease in the UK will end Sept. 28, according to the U.S. Department of Agriculture. Vaccination against the disease, which was stopped in 1981, was reauthorized July 16. The Minister also said it will be necessary to change the existing import restrictions once sufficient time has elapsed to permit an adequate level of disease protection for the national flock. This change may enable the U.S. to re-establish a market for poultry, which had reached \$16 million before the non-vaccination policy restricted U.S. imports in 1981.

CATTLE  
NUMBERS DOWN

Cattle numbers on July 1 were 1 pct. lower than a year earlier, according to the U.S. Department of Agriculture. Poor returns, extended drought in some areas, and financial problems have all contributed to the reduction. The beef cow inventory was down 1 pct. from 1983 and 2 pct. from 1982. In spite of prospects for reduced meat supplies and higher prices through mid-1985, producers have again cut the number of heifers they are retaining for breeding. The 1984 calf crop is expected to fall 2 pct. from a year ago. (For more info., call Leland Southard, Allen Baker, or John Nalivka, 202/447-8636.)

IV CORN  
RELEASED

Corn placed in the farmer-owned reserve from Oct. 6, 1981 through June 30, 1982 was released by the U.S. Department of Agriculture for redemption, effective as of Aug. 8, when the national average price received by farmers for corn reached \$3.16 per bushel, one cent above the \$3.15 per bushel release level for reserve IV corn. If the five-day national average market price remains at or above \$3.15 on Sept. 30, storage earnings will stop and interest on the price support loan will begin to accrue. If the price falls below \$3.15, reserve IV corn no longer will be in release status and farmers will continue earning storage payments.

FROM OUR TELEVISION SERVICE "Wheat Outlook"...This year's wheat crop is expected to be larger than last year's, and may well rank as the third largest on record at 2.52 billion bushels. USDA economist Allen Schienbein focuses on factors contributing to this situation. Victor Powell interviews. (181)

"Farm Inputs Update"...Now that much of the "Payment-in-Kind" acreage has returned to production, farmers' use of manufactured inputs is up this year. USDA analyst Carlos Sisco talks about the current outlook. DeBoria Janifer interviews. (182)

"Increase in Small Farms"...According to the recent 1982 Census of Agriculture, small farms have increased sharply in the last few years - up 17 percent. USDA small farms expert Howard Kerr, takes a look at this statistic and what it means. DeBoria Janifer interviews. (183)

"Food for Peace Program"...Thirty years ago, the U.S. began an international food aid program known as "Food for Peace" or Public Law 480. Richard Smith with USDA's Foreign Agricultural Service discusses this program and its impact on American agriculture. Scott Erickson interviews. (184)

"Khapra Beetle Update"...The Department of Agriculture has proposed tightening import restrictions to keep the khapra beetle out of the U.S. Larry Tengan with USDA's Animal and Plant Health Inspection Service talks about the importance of these restrictions. DeBoria Janifer interviews. (185)

FASTER LOANS The U.S. Department of Agriculture took a major step in updating its loan making and loan servicing capabilities. On Aug. 10, the borrower master files from USDA's St. Louis computer center were transferred to USDA's larger computer center in Kansas City. It was the start of new on-line computer terminal capabilities. Sec'y of Agriculture John R. Block said, "As a result, rural Americans hit by disasters will benefit from faster response to their credit needs. Handling time from the date of loan approval to the time of funds availability to the borrower will be more than halved."

ASIAN FARMS & U.S. EXPORTS After staging strong recoveries in 1983/84, most South Asian economies will likely achieve more moderate, but above-trend real growth in 1984/85, according to the U.S. Department of Agriculture. The extreme balance-of-payments pressures that have characterized most of the region's economies since 1979/80 eased during the last 2 years and further improvement is expected in 1984/85. U.S. farm exports to S. Asia are forecast to decline from a 7-year high of \$1.17 billion in U.S. fiscal 1983 to about \$930 million in fiscal 1984. (For more info., contact Maurice R. Landes, 202/447-8676.)

BRAIN TO BUG...DROP DEAD The U.S. Department of Agriculture reports that researchers are close to isolating a chemical that may cause an insect's brain to tell it to drop dead...or to impede maturation...or to upset its mating patterns. The same research may help come up with a chemical that could make the good insects excel. For example, it could make the bees pollinate crops and flowers for longer than usual. If researchers can disrupt the chemistry in the insect's brain, the bug's regular chemical messages will jam up or conflict. This research is necessary because insects can adapt to new pesticides almost as fast as they're invented.



OFF MIKE

Word from Jerry Urdahl and Bob Bosold is that WAXX and WEAU-TV in Eau Claire, WI, are being split up. Jerry will be going with the TV station and Bob with radio. Jerry, incidentally, added a note about his "pull" in that part of the country. He's been the winner two years in a row of the cow milking contest at the Northern Wisconsin State Fair ... Bob Baker (KMMJ, Grand Island, NE) reports the 4-day trail ride the station sponsored in late July was well attended, with 73 people riding the 90 miles from Grand Island to Burwell. He rode, too, but said he lacked a certain amount of conditioning in a critical area of the body ... Bob Bishop dropped us a "catchin' up with what's been happening" note. He worked for WDLA/WDLA-FM, then became editor of Northeast Improver, and finally resigned to take over the family farm. Now he's interested in coming back into radio, either full time or on a freelance basis. His address, in case you're interested, is P.O. Box 215, Walton, NY 13856 ... Clay Peterson (KGFX, Pierre, SD) reports they will be putting a new ag network on the air September 4. It will be called the Great American Agriculture Network, and he says they already have 25 stations signed up and expect more by the start-up date. Clay will operate out of Pierre and Del Fisher will be in Fargo, ND ... Earlier this year our Gary Crawford spent some time in Ohio gathering interviews for our weekly tape series. He also co-hosted with Joe Cornely on Joe's noon farm show on WRFD in Columbus. Now Johnny Martin of the Ohio Farm Bureau suggests that we offer Gary's talent as a co-host as another of our many and varied regular services. "He's good," is what Johnny said. We agree. As to a loan-out service, well Brenda Curtis-Heiken and Doug Wakefield would have something to say about that. Our workload keeps all three busy all of the time ... Several of you passed on your congratulations for our change from "Acting Chief" to just plain old "Chief" of USDA Radio and Television. Thanks ... Some of you also noted that we missed putting out the letter last week. Circumstances beyond our control did us in. However, it's nice to know you missed us.

FROM OUR RADIO  
SERVICE

AGRICULTURE USA #1419 ... (Weekly 13½ min documentary) In the 1970's it seemed everyone was worried about energy and whether the U.S. would have enough of it. In the eighties, however, the lean years of the 70's seem to be forgotten. Is energy conservation still important? Doug Wakefield examines this problem with various energy experts.

AGRITAPE/FARM PROGRAM REPORT #1407 ... (Weekly reel of news features) USDA news highlights; The Soviet buying spree; Farmer's helper; The U.S. wheat industry.

CONSUMER TIME #901 ... (Weekly reel of five 2½-3 min features) Respect the heat; A scout camp plants for the future; Unique food program; Sunspaces; The superstores.

USDA RADIO NEWS SERVICE ... Thurs, Aug. 16, Feed report, Milk production report; Fri, Aug. 17, World cotton situation, World oilseed situation; Mon, Aug. 20, Export outlook, Rice stocks report; Tues, Aug. 21, Farm labor report; Wed, Aug. 22, Eggs, chickens and turkeys report. Dial the USDA National News lines 202/488/8358 or 8359. All material changed at 5 P.M. EDT each working day.

  
JAMES L. JOHNSON  
Chief, Radio-Television